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U.S. Expected to Ask Attorney to Resign

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WASHINGTON—Justice Department officials will ask William H. Kennedy, U.S. attorney in San Diego, to resign because of his role in divulging the identity of an important CIA source in Mexico and Central America, an Administration official said Wednesday.

The official said that if the request has not already been transmitted to Kennedy, it is "imminent."

Kennedy, who returned to San Diego after being chastised by Justice Department officials Monday, said Wednesday that he has heard nothing about any request for his resignation.

As a presidential appointee, Kennedy, 50, can be fired only by President Reagan. The Administration is trying to avoid such action because it could be read as government confirmation of Kennedy's comments,

first reported by the San Diego Union last Friday.

Kennedy, in the story, confirmed that since November the Central Intelligence Agency and the Justice Department had been blocking the indictment of Miguel Nassar Haro on charges of being involved in an international car theft ring. From 1977 until January, Nassar Haro headed Mexico's Department of Federal Security.

Justice Department officials acknowledged that Nassar Haro had been an extremely valuable source for the CIA, sharing intelligence information on Mexico and Central America with the United States.

The car theft ring was suspected of stealing between \$30 million and \$40 million worth of new luxury cars from Southland dealerships and turning them over to high Mexican government officials. Fourteen people, including several Mexican security agents and a Mexican customs official, have been sentenced to prison in the United States after pleading guilty in the case. According to an FBI affidavit, Nassar Haro accepted a stolen van from one of his agents involved in the car theft ring.

In the Union story, Kennedy was quoted as saying, "We repeatedly have voiced the view that prosecution must proceed. No one has said these indictments cannot be returned, but it is still a matter of concern and debate in Washington."

Kennedy also said he realized that the CIA's concern "must be factored in," but he added, "I'm concerned about the victims—car owners or the insurance companies that paid off claims."

The decision to push for Kenne-

dy's resignation reflected two major factors, the Administration source said. One was the Justice Department's desire to convince the CIA that the department could be trusted with intelligence secrets as it carries out its function of monitoring the conduct of the nation's intelligence agencies.

Under executive orders dating back to the administration of President Gerald R. Ford, the attorney general has the responsibility of ensuring that intelligence agency activities do not violate constitutional rights of citizens in the United States.

"The CIA looks on this place (the Justice Department) as a sieve," one official said.

Disclosure Is a Felony

The other factor in seeking the resignation was the Administration's sponsorship of a bill, enacted by Congress in March, that makes it a felony for government officials or ordinary citizens to disclose the identity of U.S. intelligence sources.

Kennedy was a prosecutor with the San Diego district attorney's office for 23 years, until Reagan named him to the federal post last November.

In the county office, Kennedy had risen to the second-ranking position of assistant district attorney. He enjoys a reputation as a low-key, efficient administrator, with strong ties and friendships throughout the legal community.

Administration officials said Kennedy's defense when discussing his action with Rudolph W. Giuliani, associate attorney general, was that he had confirmed facts gathered by the San Diego Union rather than providing the information.